

VZCZCXRO4330  
RR RUEHBC RUEHDE RUEHDH RUEHKUK RUEHROV  
DE RUEHAM #1955 2420415  
ZNR UUUUU ZZH  
R 300415Z AUG 09  
FM AMEMBASSY AMMAN  
TO RUEHC/SECSTATE WASHDC 5832  
INFO RUEHEE/ARAB LEAGUE COLLECTIVE  
RUCPDO/DEPT OF COMMERCE WASHDC  
RUEHRC/DEPT OF AGRICULTURE WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS AMMAN 001955

SIPDIS

STATE FOR EEB AND NEA/ELA  
STATE PLEASE PASS TO USTR (SFRANCESKI)

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [EAGR](#) [WTRO](#) [JO](#)

SUBJECT: Exports to Iraq a Rare Bright Spot for Jordanian Trade  
During the First Half of 2009

Refs: A) Amman 1892  
B) Amman 1646  
C) Amman 1378  
D) Amman 1177  
E) Amman 1053  
F) Amman 672

11. (U) Summary: Jordan's Department of Statistics reported that during the first six months of 2009 exports were down almost 12% and imports fell 23% over the previous year. Jordan's trade deficit, currently at \$3.35 billion, has decreased almost a third compared to 12008. Despite the gloomy overall picture, exports to Iraq are up over 20% and exports to the Greater Arab Free Trade Area (GAFTA) fell less than 1%, much less than the rate of exports overall. In addition, U.S. imports to Jordan have increased 15%. End Summary.

#### Exports and Imports Fall

-----

12. (U) The global economic slump continues to take a toll on Jordanian trade. According to Jordan's Department of Statistics, total exports fell 11.7% from about \$3.70 billion to \$3.26 billion in the first half of 2009 compared to the same period in 2008. All of Jordan's major exports were down including apparel, vegetables, potash, and phosphates.

13. (U) Imports fell even more dramatically: 23% or nearly \$2 billion. The drop in the value of imports is primarily a result of lower oil prices (ref C). The value, not volume, of Jordanian crude oil imports (mostly from Saudi Arabia) fell more than 60% from \$1.5 billion in the first half of 2008 to \$583 million in 2009. The drop in global energy prices has had a positive impact on Jordan's trade deficit, which now stands at \$3.35 billion for the first half of 2009, a 31.6% decrease from the \$4.9 billion trade deficit during the first six months of 2008.

14. (U) While Jordan's national exports are down 11.7% in 2009, exports to Iraq are a bright spot, increasing 22.6% over the first half of 2009 from \$367 million to \$450 million (ref A). Historically, Iraq has been one of Jordan's largest trading partners and the largest in the GAFTA export market. The initial bump in exports was attributed to re-exports, but recent agreements have led to slightly increased trade between the two countries (refs A and E). Regionally, Jordan's exports to GAFTA countries (the 17 nations of the MENA region) were essentially flat with a net decrease of less than 1% although there were modest increases in exports to Saudi Arabia, Lebanon, Libya, and Tunisia.

#### U.S. Imports Higher

-----

15. (U) In terms of U.S. trade, Department of Statistics figures show that imports from the U.S. increased more than 15% during the first

half of 2009, up to \$456 million, over the first six months of 2008.

Contributing to this increase were imports of vehicles and construction equipment. Exports to the U.S., primarily apparel, however, remain down, dropping 13.4% from \$479 million to \$415 million (ref D).

Visit Amman's Classified Web Site at  
<http://www.state.sgov.gov/p/nea/amman>

BEECROFT